

Calculating the 2004 FAIR Rebate Amount

HOMEOWNERS — Age 65 or Older and/or Disabled

Gross Income	Rebate Amount Filing Status: <i>Any</i> ¹
<i>over</i> \$ 0 — <i>but not over</i> \$ 70,000	Equal to the amount that property taxes paid exceed 5% of gross income. Not less than \$1,000 or more than \$1,200 (but not more than the amount of property taxes actually paid). ²
\$ 70,000 — \$ 125,000	Equal to the amount that property taxes paid exceed 5% of gross income. Not less than \$600 or more than \$800 (but not more than the amount of property taxes actually paid). ²
\$ 125,000 — \$ 200,000	\$500
\$ 200,000	\$ 0 (not eligible)

HOMEOWNERS — Under Age 65 and NOT Disabled

Gross Income	Rebate Amount Filing Status: <i>Any</i> ¹
<i>over</i> \$ 0 — <i>but not over</i> \$ 125,000	Equal to the amount that property taxes paid exceed 5% of gross income. Not less than \$600 or more than \$800 (but not more than the amount of property taxes actually paid). ²
\$ 125,000 — \$ 200,000	\$500
\$ 200,000	\$ 0 (not eligible)

¹ Spouses who file separate income tax returns but maintain the same principal residence must combine their incomes when calculating the rebate. Each spouse is then eligible to receive one-half of the calculated amount. If spouses maintain separate principal residences, their income should not be combined.

² Applicants are not automatically eligible for the maximum rebate amount. The amount of the rebate is based on filing status, income, and the property taxes paid.

NOTE: For eligible residents age 65 or older and/or blind or disabled who are not required to file a 2004 New Jersey income tax return because their income is below the minimum filing threshold, the property tax credit will automatically be paid with the FAIR rebate.

Homeowner's Rebate Calculation Examples

A married couple, both over 65, with gross income of \$43,000 and property taxes of \$5,000, files joint income tax return and FAIR homeowner rebate application.

Property Taxes Paid	\$5,000.00
Minus 5% of Gross Income	– \$2,150.00
Difference	<u>\$2,850.00</u>
Rebate Amount	\$1,200.00

A disabled person, age 38, with gross income of \$34,000 and property taxes of \$1,500, files single income tax return and FAIR homeowner rebate application.

Property Taxes Paid	\$1,500.00
Minus 5% of Gross Income	– \$1,700.00
Difference	<u>\$ 0.00</u>
Rebate Amount	\$1,000.00

A person age 72, with gross income of \$175,000 and property taxes of \$5,000, files income tax return and FAIR homeowner rebate application as head of household.

Rebate Amount	\$ 500.00
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A married couple under 65, not blind or disabled, with gross income of \$60,000 and property taxes of \$3,500, files joint income tax return and FAIR homeowner rebate application.

Property Taxes Paid	\$3,500.00
Minus 5% of Gross Income	– \$3,000.00
Difference	<u>\$ 500.00</u>
Rebate Amount	\$ 600.00

A single person age 85, with gross income of \$1,000 and property taxes of \$975, not required to file a tax return, files only a FAIR homeowner rebate application.

Property Taxes Paid	\$975.00
Minus 5% of Gross Income	– \$ 50.00
Difference	<u>\$925.00</u>
Rebate Amount	\$975.00

Spouses under 65 and not disabled who occupy the same principal residence file separate income tax returns with gross incomes of \$90,000 and \$25,000. Property taxes are \$6,500 and they file one FAIR homeowner rebate application.

Property Taxes Paid	\$6,500.00
Minus 5% of Gross Income*	– \$5,750.00
Difference	<u>\$ 750.00</u>
Rebate Amount	\$ 750.00

*Combined gross income

TENANTS — Age 65 or Older and/or Disabled

Gross Income	Rebate Amount Filing Status: <i>Married Filing Jointly, Head of Household, Qualifying Widow/er, Married, Filing Separately (Same Residence)</i> ¹
<i>over</i> \$ 0 — <i>but not over</i> \$ 70,000	Equal to the amount that rent constituting property taxes (18% of rent) exceeds 5% of gross income <i>plus</i> \$50. Not less than \$150 or more than \$825 ² .
\$ 70,000 — \$ 100,000	\$150
\$ 100,000	\$ 0 (not eligible)

Gross Income	Rebate Amount Filing Status: <i>Single, Married Filing Separately (Separate Residence)</i> ¹
<i>over</i> \$ 0 — <i>but not over</i> \$ 35,000	Equal to the amount that rent constituting property taxes (18% of rent) exceeds 5% of gross income <i>plus</i> \$50. Not less than \$150 or more than \$825 ² .
\$ 35,000 — \$ 100,000	\$150
\$ 100,000	\$ 0 (not eligible)

¹ Spouses who file separate income tax returns but maintain the same principal residence must combine their incomes when calculating the rebate. Each spouse is then eligible to receive one-half of the calculated amount. If spouses maintain separate principal residences, their income should not be combined.

² Applicants are not automatically eligible for the maximum rebate amount. The amount of the rebate is based on filing status, income, and the property taxes paid through rent.

NOTE: For eligible residents age 65 or older and/or blind or disabled who are not required to file a 2004 New Jersey income tax return because their income is below the minimum filing threshold, the property tax credit will automatically be paid with the FAIR rebate.

TENANTS — Under Age 65 and NOT Disabled

Gross Income	Rebate Amount Filing Status: <i>Any*</i>
<i>over</i> \$ 0 — <i>but not over</i> \$ 100,000	\$150
\$ 100,000	\$ 0 (not eligible)

* Spouses who file separate income tax returns but maintain the same principal residence must combine their incomes when calculating the rebate. Each spouse is then eligible to receive one-half of the calculated amount. If spouses maintain separate principal residences, their income should not be combined.

Tenant's Rebate Calculation Examples

A married couple over 65 with gross income of \$65,000 and total rent paid for the year of \$8,400, files joint income tax return and FAIR tenant rebate application, Form TR-1040.	18% of Rent Paid	\$1,512.00
	Minus 5% of Gross Income	– \$3,250.00
	Difference	\$ 0.00
	Rebate Amount	\$ 150.00

A disabled married person who maintains a different residence than his spouse has gross income of \$5,000 and files a separate FAIR tenant rebate application, Form TR-1040. Total rent paid for the year is \$4,500.	18% of Rent Paid	\$ 810.00
	Minus 5% of Gross Income	– \$ 250.00
	Difference	\$ 560.00
	Plus \$50	\$ 50.00
	Rebate Amount	\$ 610.00

A person 65 years of age with a gross income of \$90,000 and total rent paid for the year of \$18,000 files income tax return and FAIR tenant rebate application, Form TR-1040, as a Qualifying Widow.		
	Rebate Amount	\$ 150.00

A married couple under 65 and not disabled with gross income of \$60,000 and total rent paid for the year of \$7,800, files joint income tax return and FAIR tenant rebate application.		
	Rebate Amount	\$ 150.00
